
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 9.22.2009

Wall Street Journal: "In a Crunch, Insurers Raise Fees, Trim Sales ... Seeking to replenish capital depleted by souring real-estate investments, many insurers have cut back on sales and raised prices on life insurance, much as banks have reduced lending and raised fees to customers to rebuild their cash cushions."

Wall Street Journal: "Decision on Ending Housing Prop Can Wait ... The Fed is considering kicking away a fairly important prop for the housing market. But this will likely happen in slow motion."

Wall Street Journal: "New Financial Rules Necessitate Putting the Squeeze on Banks ... This week, leaders of the world's 20 largest economies will launch a debate over how new financial rules can prevent a repeat of the Great Panic. One fact, though, is already becoming clear: For the rules to work, bankers will have to suffer."

Wall Street Journal: "Restraining Bankers' Pay: Easy to Promise, Hard to Do ... When the (mostly elected) leaders of the world's 20 major economies convene, one can be sure they want to talk about something that voters can understand. "Global imbalances" and "capital standards" and "IMF quotas" won't do. Talking about "jobs" would be popular, but the leaders can't promise much on that front. So it is no surprise that bankers' pay has risen on the agenda for Friday's conclave in Pittsburgh. Everyone understands that."

Wall Street Journal: "Taxes, Depression, and Our Current Troubles ... The 1930s has become the sole object lesson for today's monetary policy. Over the past 12 months, the Federal Reserve has increased the monetary base (bank reserves plus currency in circulation) by well over 100%. While currency in circulation has grown slightly, there's been an impressive 17-fold increase in bank reserves."

The Washington Post: "SEC Gets Tougher With Bank of America ... The Securities and Exchange Commission said Monday that it will broaden its investigation into alleged wrongdoing at Bank of America and may seek additional charges as it prepares for a trial against the bank."

The Washington Post: "Firms Back Change in Executive Pay Practices ... A coalition of blue-chip companies on Monday endorsed the idea of voluntarily overhauling executive compensation practices in an effort to restore public confidence in corporate America and to get out ahead of potentially more burdensome rules that could emerge from Washington."

NY Times: "Bank of America Seeks to Pay Back Federal Aid ... One year and two bailouts later, Bank of America is moving to extricate itself from Washington's grip."

NY Times: "F.D.I.C. May Borrow Funds From Banks ... Tired of the government bailing out banks? Get ready for this: officials may soon ask banks to bail out the government."

NY Times: "G-20 Is Urged to Raise Bank Reserves ... World leaders at the Group of 20 meeting this week should force banks to build up their reserves substantially to avoid another acute financial crisis, a leading association of regulatory experts said Monday."

USA Today: "As lenders clamp down, credit scores take a hit ... Long after the economy recovers, millions of Americans will be left with a grim legacy of the recession: damaged credit scores, the three-digit ratings that help determine consumers' ability to get loans and other types of credit."

The Washington Times: "The growing debt bomb ... Assume you had put much of your savings into U.S. government bonds and then you learned the following. In just the last eight months, the Congressional Budget Office estimates of the amount of additional federal debt to be held by the public grew by an astounding \$4 trillion for the 2010-19 period; and that the amount of federal debt held by the public grew from \$5.9 trillion to \$7.5 trillion in just the last 12 months."

Reuters: "FDIC may tap U.S. banks for funds: report ... The Federal Deposit Insurance Corp may ask healthy U.S. banks to lend billions of dollars to restore the health of the depleted fund that safeguards bank deposits, the New York Times reported, citing senior regulators."

Bloomberg: "Fed Effort to Stoke Growth May Be Undermined by 'Tight' Credit ... Federal Reserve Chairman Ben S. Bernanke's efforts to stoke a U.S. economic recovery may be undermined by the central bank's other goal of restoring the banking system to health."

Bloomberg: "CLSA's Mayo Says U.S. Banks Will Need More Capital (Update2) ... U.S. bank shares are set to drop because loans made for commercial real estate will sour and lenders will need to raise more capital to cover credit losses, according to Mike Mayo, an analyst at CLSA Ltd."

Forbes: "A 'Framework' For More Government ... Government leaders from advanced economies around the world will meet this week in Pittsburgh to have a gabfest about the direction of economic policy. At present, the G-20 is working on finalizing what it calls a "Framework for Sustainable and Balanced Growth."

Politico: "Frank backs consumer watchdog plan ... House Financial Services Chairman Barney Frank says he won't ditch the White House's plan to create a new consumer financial watchdog, despite pressure from the industry and concern among some conservative Democrats."

The Hill: "Obama administration pressures Congress to pass financial reform, despite its packed fall agenda ... As time passes from the height of the financial crisis one year ago and the economy begins to recover, administration officials are ramping up their calls for congressional lawmakers not to let the window of opportunity close before enacting a series of new regulations."

The Hill: "Regulatory reform debate on tap ... The debate over revamping the nation's financial regulatory system will pick up steam next week when Treasury Secretary Timothy Geithner heads to Capitol Hill on Wednesday to testify before House lawmakers."